

REMARKS

Claims 1-9 and 11-64 are now pending in the application, with claims 1, 24 and 25 being the independent claims. Reconsideration and further examination are respectfully requested.

In the Office Action, the rejection of claims 1-9, 11-23 and 26-27 under 35 USC § 101 has been maintained. Specifically, the Office Action asserts that the invention recited in such claims does not fall within the "technological arts". While Applicants continue to believe that the case law does not provide any independent basis for rejecting under § 101,¹ Applicants have amended the subject claims as indicated by the Examiner in order to obtain early allowance of this case.

After carefully reviewing the case law cited in the Office Action, it appears that the only potential ground for the present § 101 rejection is that certain of the previous claim limitations could have been construed to include mental steps, which allegedly would have been improper. In order to overcome this potential objection, the subject claims have been amended above to recite the use of a computer to execute computer-executable process steps for performing certain of the steps that previously were recited as direct method steps. As indicated above, the present recitation of a computer is intended only to exclude from the scope of such claims any method where the subject steps are performed mentally, and is not intended to limit the claims to any particular type of computer (e.g., electronic, optical, biological, chemical, etc.), whether now existing or hereafter developed.

¹ Even the Toma CCPA case cited in the Office Action uses the terms "technological" and "useful" interchangeably, and usefulness apparently is not disputed in the present case

By requiring the indicated steps to be performed by a computer, the above claim amendments are believed to eliminate any argument that the present claims do not recite statutory subject matter. That is, the subject claims now recite a method utilizing a computer which, by any definition, must fall within the technological arts. Accordingly, withdrawal of the present § 101 rejection is respectfully requested.

Claims 1, 3, 4, 7-9, 11-13, 16-18, 20, 24-27, 29, 30, 33-38, 41-43, 45, 49 and 50 stand rejected under 35 USC § 103(a) over U.S. Patent 6,125,355 (Bekaert) in view of U.S. Patent 6,078,904 (Rebane) and the definition of "regression analysis" in the Barrons Dictionary of Finance and Investment; claims 2 and 28 stand rejected under § 103(a) in view of Bekaert, Barrons and the taking of official notice; claims 5, 23, 31 and 48 stand rejected under § 103(a) in view of Bekaert, Rebane, Barrons and the taking of official notice; claims 6 and 32 stand rejected under § 103(a) in view of Bekaert, Rebane, Barrons, U.S. Patent 6,195,659 (Hyatt) and the taking of official notice; claims 14, 15, 39 and 40 stand rejected under § 103(a) in view of Bekaert, Rebane, Barrons and the taking of official notice; claims 19 and 44 stand rejected under § 103(a) in view of Bekaert, Rebane, Barrons, U.S. Patent 5,986,673 (Martz) and the taking of official notice; and claims 21, 22, 46 and 47 stand rejected under § 103(a) in view of Bekaert, Rebane, Barrons, U.S. Patent 5,255,347 (Matsuba) and the taking of official notice. Withdrawal of these rejections is respectfully requested for the following reasons.

Generally speaking, the present invention concerns novel techniques for defining sectors and for grouping assets into such sectors. The present invention has been described in detail in the previous Amendment/Response. Therefore, the present

discussion will focus only on certain features that are recited in the present claims but are neither disclosed nor suggested by the applied art.

In this regard, each of pending independent claims 1, 24 and 25 has been amended above to more clearly recite the feature that the assets are grouped into different sectors based on similarities of the measures of their values' tendency to change across plural exogenous variables. What this first requires is that, for each of plural assets, there is calculated a measure of the tendency of the value of the asset to change as a result of a change in a data value for each of plural exogenous variables. For example, multiple different stocks might be analyzed to determine their price sensitivities to each of: (i) a particular interest rate, (ii) a price for a particular commodity, (iii) the number of housing starts in a given period of time, (iv) a particular production figure, (v) the unemployment rate and (vi) the inflation rate.

Nothing in the applied art even remotely suggests this feature of the invention. At most, the cited prior art only discloses calculation of the relative volatility of individual stocks as compared with the volatility of a single index, i.e., the market as a whole. This, of course, is the definition of beta.

Accordingly, the applied art could not possibly have disclosed or suggested grouping plural different assets (e.g., stocks in the above example) into plural different sectors based on similarities of such measures *across plural exogenous variables*. In the above example of the present invention, the plural different stocks typically would be grouped based on how close they are to each other in the 6-dimensional space defined by the 6 exogenous variables listed above.

Given that the applied art lacks these features of the invention, independent claims 1, 24 and 25 could not have been obvious in view of it. The other claims in the application depend from these independent claims and, therefore, are believed to be allowable for at least the same reasons. In addition, each such dependent claim recites an additional feature of the invention that further distinguishes the invention from the applied art. Accordingly, the individual consideration/reconsideration of each on its own merits, particularly in view of the above remarks, is respectfully requested.

Each of newly added dependent claims 51-64 identifies at least one of the plural exogenous variables. These claims are supported, e.g., in the Specification from page 4 line 15 to page 5 line 19. The identification of such exogenous variables is newly added to the claims and, therefore, these features of the invention previously have not been considered by the Examiner. However, Applicants have reviewed the applied art in detail and, in the aggregate, the applied art is not seen to disclose or to suggest anything about calculating a measure of the tendency of the value of an asset to change as a result of a change in a data value for any of such recited exogenous variables. Accordingly, the applied art also could not possibly have disclosed nor suggested the use of any such measure as recited in the independent claims.

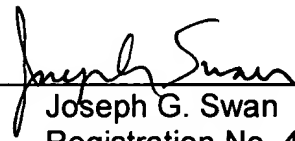
In view of the foregoing remarks, the entire application is believed to be in condition for allowance, and an indication to that effect is respectfully requested.

If there are any fees due in connection with the filing of this paper that have not been accounted for in this paper or the accompanying papers, please charge the fees to our Deposit Account No. 13-3735. If an extension of time under 37 C.F.R. 1.136 is required for the filing of this paper and is not accounted for in this paper or the accompanying papers, such an extension is requested and the fee (or any underpayment thereof) should also be charged to our Deposit Account No. 13-3735. A duplicate copy of this page is enclosed for that purpose.

Respectfully submitted,

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Dated: June 11, 2004

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